

REFERENCE TITLE: **insurance assets; technical correction**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2173

Introduced by
Representative Carpenter

AN ACT

AMENDING SECTION 20-503, ARIZONA REVISED STATUTES; RELATING TO ASSETS OF AN INSURER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 20-503, Arizona Revised Statutes, is amended to
3 read:

4 20-503. Assets not allowed as deductions from liabilities

5 In addition to assets impliedly excluded by section 20-501, the
6 department shall not allow the following as assets in any determination of
7 the financial condition of an insurer:

8 1. Advances to officers, other than policy loans, whether secured or
9 not, and advances to employees, agents and other persons on personal security
10 only.

11 2. Stock of the insurer that is owned by the insurer or any equity in
12 the stock, any loans secured by the stock or any proportionate interest in
13 the stock acquired or held through the insurer's ownership of an interest in
14 another firm, corporation or business unit.

15 3. Furniture, fixtures, furnishings, safes, vehicles, libraries,
16 stationery, literature and supplies, except in the case of title insurers
17 materials and plants as the insurer is expressly authorized to invest in
18 under chapter 6, article 9 of this title and except, in the case of any
19 insurer, personal property as the insurer is permitted to hold pursuant to
20 ~~chapter 3~~, article 2 of this ~~title~~ CHAPTER, or that is acquired through
21 foreclosure of chattel mortgages acquired pursuant to section 20-555, or that
22 is reasonably necessary for the maintenance and operation of real estate
23 lawfully acquired and held by the insurer other than real estate the insurer
24 uses for home office, branch office and similar purposes.

25 4. The amount, if any, by which the aggregate book value of
26 investments as carried in the ledger assets of the insurer exceeds the
27 aggregate value as determined under this title.